1943-5C **File No.** 6356/36

A CLASS

P.W. DEPARTMENT

M BRANCH

Subject:— Indian Electricity Act.

Interpretation of clause VI of the shedule to the — in con. with licencee's responsibility to replace his fuses installed at the consumer's premises.

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M

File No. 6356/36

Std. Sectt. Slip 24-A

Std. Sectt. 78A e.

G R., G D., No 2408, dated 22-5-22.]

Correspondence

DOCKET SHEET (B)

Subject :—

File No. 6356/36

P. W. C. DEPT.

TM BRANCH.

References :—

Date.	To whom sent.	Notes and instructions.

OFFICE OF

THE ELECTRICAL ENGINEER TO GOVERNMENT,

P.W.D. OFFICES, CHURCHGATE STREET

Bombay, 10th February 1943.

In reply quote without fail No. G 20/ 4747 of 1943.

From

THE ELECTRICAL ENGINEER TO GOVERNMENT,

Public Works Department,

Bombay;

To

The Secretary to Government,
Public Works Department,
Bombay.

Subject:- Interpretation of Clause VI of the Schedule to the Indian Electricity Act: Licensee's responsibility to replace his fuses installed at the consumer's premises.

Sir,

A technical point has arisen in connection with the above and I request you to please refer the matter to the Remembrancer of Legal Affairs for his opinion. The facts of the case are as under:-

A licensee has installed his own cut outs containing fuses on a consumer's premises and affixed his own seals to the same. The consumer informs the licensee that the electrical supply to his premises has been interrupted owing to the failure of the licensee's fuse. The licensee's wireman goes to the premises, replaces the fuse and thus recommences the supply of electric energy to the premises. The licensee levies a charge on the consumer for the attendance of his fuseman. The question is whether the charge levied by the licensee is legitimate or whether the licensee is under a direct obligation to renew the supply without any cost to the consumer.

The licensee's contention is that the charge for attendance of a fuseman has been definitely sanctioned according to the rates and conditions approved by Government under section 21 (2) of the Indian Electricity Act and since the attendance of a fuseman was necessary in this case, the licensee is entitled

to levy the sanctioned charge for the same.

The consumer's contention is that under clause VI(1) of the Schedule to the Indian Electricity Act, the licensee is bound to give a continuous supply to his premises except under circumstances beyond his control. Furthermore, under clause VI (2) of the same Schedule the licensee is under a direct obligation to maintain the service line laid on the consumer's premises. As the cut-outs containing the fuses form a part of the service line, the licensee is presumably at all times obliged to replace his own fuses whenever they fail.

The licensee affixes his own seals on the cut-outs placed upon the consumer's premises and no person other than the licensee is empowered to break any such seal(vide Rule 31 of the Indian Electricity Rules, 1937). The licensee, therefore, is the only person who can replace the fuses in his cut-out and it is not possible for a consumer to do so through any other agency.

The undersigned is of the opinion that under Clause VI of the Schedule to the Indian Electricity Act, the licensee is definitely under obligation to maintain the continuity of supply and also to maintain the service line including the cut-outs, and upto the point of commencement of supply [illegible] (vide rule 35 of the Indian Electricity Rules, 1937) in good order at all times. The licensee, therefore, cannot legitimately levy any charge for the attendance of a fuseman when this is required for the replacement of the licensee's fuses. In this connection, a reference is invited to condition xxii of the model Form of Licensee's Conditions on page 407 of Meare's Law relating to Electrical Energy in India and Burma, 1937 edition.

A point may be raise that, in the absence of such charge a consumer can continuously persit in the absence of such charg using defective appeatus without porperly protecting it by h own fuses and thereby can cause the licensee's fuses to fail a often as he likes without any fear of punishment; the li- censee in such cases can take action by discontinuing the supp of electrical energy to the consumer's premises under clause VI proviso (c) of the Schedule to the Indian Electricity Act * if

if the letter maliciously injures the licensee's cut-outs despite definite warning by connecting defective appearatus to the licensee's works.

Sd/-
Electrical Engineer to Government.

* and also by prosecuting the consumer under section 44(e) of the I.E.Act.

W.B.
Submitted

2. The papers may be referred u.c. to the R.L.A. for & are u.c.r. of opininon on the point raised by the El. Engr. to Govt. in his letter ~~written~~ within.

Id
12/2/43 Id
12/2

u.c.r.to R. L. A., dated 12-2-43.

Office of the R. L. A.

The Electrical Engineer to Government may be requested to furnish the following information:-

Whether Government considered the legality of the charge when sanction was accorded under section 21(2) of the Indian Electricity Act; if so to forward to L. D. all the papers relating thereto.

Sd/-
for Remembrancer of Legal Affairs.

u.c.r. to P.W.D., No. 2432, dated the 2nd April 1943.

6356/36
M. B.

Submitted with ref. to Govt. u.c.r. dated the 12-2-43.

2 With ref. to the enquiry made by the R.L.A. viz. whether Govt.considered the legality of the charge (charge for attendance of a fuseman) when sanction was accorded (to the conditions of supply) under section 21(2) of the I.E.Act it may be stated that the charge in question is included in part II of the model form of conditions of supply etc., which was approved after scrutiny by the R.L.A. vide R.L.A.'s memo No. 831 dated 10-2-36. The file No. 9872/27 containing the proceedings the proceedings underlying the R.L.A's opinion may be forwarded to him as requested. The El. Engr. to Govt. may however see these papers first for remarks, if any.

Id
12/4/43 Id Govt.
u.c. to El.Engr. dated 15-4-43

Below U.O.R. No. 6356/36/5236 dated the 15th April 1943.

from Government in the Public Works Department.

No. G.20/350 of 1943.

Bombay, 20th April 1943.

seen and returned with compliments.

Sd/-
Electrical Engineer to Govt.

(W.B.) Submitted with refec. to Govt. u.o.r. dated the 15-4-43.

2. The papers may now merel be forwarded u.o. to the R.L.A. as proposed.

Id
28/4/43.

u.o.r. to R.L.A. (with file 9872/27) dated 29-4-43.

Office of the R.L.A.

The attention of the Electrical Engineer to Government is drawn to condition 8 of the model form and he is requested to ascertain and inform this office whether the licensee in this case basis his claim on the ground that the failure of supply was due to any other cause than a fault in the licensee's apparatus. He is also requested to forward a copy of the agreement between the licensee and the consumer in respect of the premises in regard to which the question has been raised. A copy of the license granted to the licensee concerned may also be called for and forwarded to the R.L.A. for perusal.

Sd/-
for Remembrancer of Legal Affairs.

U.R. to P.W.D. No. - 3689 - dated the 20th may 1943.

(W.B.) Submitted with refec to Govt. u.o.r. dated the 29-4-43.

2. The papers may be referred u.o. to the El. Engr. to Govt. for favour of furnishing the information required by the R.L.A.

Id
2/5/43.

22/5/43

u.o.r. to with El. Engr. to Govt. dated 24th May 1943. with file 9872/27

Below U.O.R. No. 6356/36/11253 dated the 24th May 1943, from Government in the Public Works Department, Bombay.

No. G, 2a/1711 of 1943.

Bombay, 14th July 1943.

Returned, with compliments.

2. The reference, though specifically made by a solicitor in Bombay, is of a general nature. The standard form of a copy of agreement and a copy of the license g recently granted to an electric supply company are enclosed herewith for perusal and return.

3. As regards the point raised by t he Remembrancer of Legal Affairs, a licensee invariably bases his claim on the ground that the failure of supply is primarily due to cause causes other than a fault in the licensee's apparatus. The fact, however, is that the licensee's cut outs blew on account of faults in the consumer's installation and because the licensee's fuses blow the supply of power at the point of commencement of supply is interrupted. According to cluse VI a licensee is under an obligation t. clause VI a licensee is under an obligation to maintain continuity of supply at the point of commencement of supply at all times except in cases where it is not possible for him to do so for causes beyond his control. In the present case, a licensee is always in a condition to restore the interrupted supply by sending his wireman and replacing the blown fuses in the cut outs which are sealed and which can be opened ny his representative alo

4. The consumer's point is that the failure of su though pimarily due to a defect in his installation, is immediately caused by the blowing of the licensee's fuses i.e. a defect in the licensee's works, and if the l licensee's replaces the fuses and removes this defect from his works, the supply is continued up to the point of commencement of supply. The licensee is, therefore, entitled to levy any charges for removing defects in hi own own works.

Sd/-
Electrical Engineer to Govt.

(M.B.) Submitted.

2. The information xxx regd. by the R.L.O. has been furnished by the El. Engr. to Govt.

These papers may now be referred back to the R.L.A.

Id
15/7/43

Id
15/7

u.o.r. with R.L.A. dated 16th July 1943.

* With P.W.D. file 9872/27 El.Engr. office copy of G.R. No. 1671/33 dated 14th Dec. 1939 and model form of conditions and misc. charges for the supply of energy.

Office of the R.L.A.

The facts of the case as reported by the Electrical Engineer to Government are as follows:-

A licensee has installed his own cut outs containing fuses on a consumer's premises and affixed his own seals to the same. The consumer informs the licensee that the electrical supply to his premises has failed owing to the failure of the licensee's fuseman goes to the premises and replaces the fuse and thus recommences the supply of energy. The licensee levies a charge on the consumer for attendance of his fuseman.

The question for the consideration of the R.L.A. is whether the charge levied by the licensee is legitimate or whether the licensee is under a direct obligation to renew the supply without any cost to the consuer; and the R.L.A. is requested to consider it with reference to the model conditions of supply sanctioned by Government.

"Cut-out" as defined in rule 2(j) of the Indian Electricity Rules, 1937 means any appliance for automatically interrupting the transmission of energy through any conductor when the current rises above a predetermined point. Rule 40 provides:

"A licensee shall provide a suitable cut out in each conductor in of every service line(other than an earthed neutral conductor or the earthed external conductor of a concentric cable) within a consumer's premises, in an accessible position as close as possible to the point of entry. Such cut out shall be contained within an adequately enclosed fire-proof receptacle:

Provided that, where more than one consumer is supplied through a common service-line, each such consumer who so requires shall be provided with an independent cut-out at the point of junction to the

common service."

Under sub-clause (2) of clause VI in the schedule to the Indian Electricity Act, 1910 any service line laid for the purposes of supply in pursuance of a requisiton under sub-clause (1) shall notwithstanding that a portion of it may have been paid for by the person making the requisition, be maintained by the licensee. In Lahore Electric Supply co. v. Durgadas 79 P.W.R. 1918 it has been held that cut-outs constitute part of an electric supply or service line. However the question whether cut outs from part of the service line does not appear to be of much importance in view of condition 8 of the Model conditions of supply under which a licensee can charge only when the failure of supply is due to any cause other than a fault in the licensee's apparatus. This conditin implies that the licensee would be bound to replace the fuses in his cut.outs if they fail due to a defect in his own installation. Consequently the question material for consideration is whether the levy of charge under condition 8 of the Model conditions by the licensee forreplacing fuses in his cut-outs which have failed due to any defect in the consumer's installation would contravene the provisions of sub-clause (2) of clause VI of the Schedule.

It is true that under sub-clause(1) of clause VI in the Schedule the licensee is required to maintain the service line and consequently he is bound to replace the fuses in his cut-outs but he does not dispute that liability and carries it out immediately by sending his employee as soon as he receives notice of failure of such fuses. What he does after replacing such fuses is to claim to recover under condition 8 of the Model Conditions the charges of such replacement form the consumer provided the failure of supply is due to any cause other than a fault in the licensee's apparatus. The immediate cause of the failure of supply is the blowing of the cut.out. But that is not a defect in the cut-out. It is the function of the cut-out to blow when the current rises above a certain point. The part of the apparatus which is at fault is that which causes the current to rise above the safety level

... failure of the fuses in the licensee's cut-outs is due to a defect in the consumer's apparatus, it would be reasonalble for the licensee to recover charges for replacing the fuses from the consumer. Consequently it appears that conditions 8 of the Model conditions does not in any way conflict with sub-clause (2) of clause VI in the Schedule.

Id
Remembrancer of Legal Affairs.

u.o.to P.W.D., No. 6009, dated the 7th September 1943.

6356/36
24656.
El. Br.
Submitted.
2. The El. Engr. to Govt. may see u.o.the opinion of the R.L.A. No action is called for in the matter.
Id
27-9-43

Id
28/9/43

u.o.r. to the El. Engr. to Govt. dated 29th Sept. 1943.

* with (1) Model form &(2) his office copy of G.R. No. 1671/36. dated 14-12-1935.

No. G2a/3342 of 1943.
Bombay 19th October 1943.

Returned with compliments.
2. This office copy of the G.R. and the model form of conditions have been retained.

Sd/-
Electricla Engineer to Govt.

Id
El. Br. P.W.D. Id
Submitted. 20/10
2. Record.
Id
22-10-43
Id
Id 27/10/43
25/10/43

Government of India.
DEPARTMENT OF WORKS MINES AND POWER.

No.El, II/211. New Delhi the 2nd December 1946

From
S.Neelakantam, Esquire, M.B.E.,
Deputy Secretary to the Government of India.

To
All Provincial Governments (except Madras)

Subject:- Electricity-recovery of cost of service cinnections from consumers-interpretation of the Indian Electricity Act.

Sir,

I am directed to address you regarding the interpretation of the term "cost" used in the Indian Electricity Act, 1910, in connection from the laying of service lines by licensees on requisition from the owners or occupires of premises. Clause VI(1) (b) of the Schedule to the Indian Electricity Act, 1910, provides for the payment to the licensee of the cost of so much of the service line as may be laid down or placed on the property of the consumer for the purpose of supply.

2. The question has arised whether such cost should be based on the market value of the materials as on the date of the laying of the service line or the book value of the materials. The Government of India therefore proposed to take opinion of their Advocate General. I am to request you to intimate this department the present practice prevailing in your province and the legal advice on which it is based.

I have the honour to be,
Sir,
Your most obedient servant,
2.12.46
sd/- S. Neelkantam
Deputy Secretary to the Government of India.

Endorse
No.6356/36El.(I) P.W.D.

9

P.W.D.
B.C., 10th Decr. 1946
Copy forwarded to the El. Engr. to Govt. for report.

By order of the C.of B.

Issued
Id
12/12/46

Id
7/12/46.

.....

No. IRM. 31/3797 of 1946.
P.W.D.offices, Churchgate street,
Fort, Bombay, 31st December 1946.

To
The Secretary to Government,
Public Works Department, Bombay.

Sub:- Electricity- Recovery of cost of service connections from consumers- Interpretation of the Indian Electricity Act.

Reference: Government, Public Works Department, endorsement No. 6956/36-El. (I) dated the 10th December 1946.

2. Accordint to the practice prevailing in this province, the licensees have been recovering the charges for the service line at the actual cost of materials and labour, plus 15% on both materials and labour to cover overhead charges, as allowed in partII of the the Conditions of supply and Miscellaneous charges sanctioned by Government in respect of these licensees.

3. I consider that the above practice of charging 15% on the cost of materials is not in order, as it gives the licensee a chance to profiteer which is obviously contrary to the implied object of the provision of Clause VI(1) provise first (b) of the Schedule to the Indian Electricity Act. Further, such recovery is also not in conformity with the method of charging allowed by rule 70 (2) of the Indian Electricity Rules, 1937, where supervision charges of 15% are allowed on charges of labour only.

4. In this connection, reference is invited to this office U.O.R. NO.IRM. 14479 dated 7-4-1942 (P.W.D. file No. 1116/369, and it is requested that the amendment to clause VI of the Schedule to the Act may be moved as proposed therein.

Sd/-
Electrical Engineer to Government.

Submitted (together with Sr. No. 53612) with reference to the G. of I. letter on p. 17 ante.

2. The remarks of the Electrical Engineer to Government with reference to the Govt. of India query will be found on p. 19 ante. It will be seen therefrom that according to the practice prevailing in this Province, the licensees have been recovering the charges for the service line at the actual cost of materials and labour plus 15% on both materials and labour to cover overhead charges. This is allowed in partII of the "conditions of supply and Miscellaneous charges" sanctioned by Govt. in G.R.No. 9872/27, dated the 5th May 1936. This G.R. was issued in consultation with the R.L.A. No specific advice of the R.L.A. was however sought for with reference to the legality of to following particular condition dealing with the charges for service lines-

"One hundred feet of service line from the distributing main, but not on the property for which a requisition for the supply of energy is received, shall be laid free of charge. The charges for the rest of the service line shall be recovered at the actual cost plus fifteen per centum to cover overhead charges."

The charges for service lin are thus recover by the licensees as mnk mentioned above in accordance with the practice prevalent in this Province. The practice is obviously not based on any legal advice.

3. With reference to paras. 3 and 4 of the Electriesl Engineer letter within, it is stated that in 1942, it was proposed to move the G. of I. to amend clause VI of the schedule to the I.E.Act by the addition of a note below that clause defining the term "cost" on the basis of rule 70(2) of the I.E. Rules- vide proceedings on pp. 124-127 and pp. 136-139 of file No. 1116/36.

Subsequently, it was decided not to make the proposed reference to the G.of I. as it was considered that such a proposal raised a point which would make more work than the importance of the point justified- vide, the then Secy's note, dated the 14th October 1942, agreed to by the late Adviser for Finance. The Electrical Engineer to Government, however, proposed to move the G.of I. Now in this connection. It is for orders, whether his proposal may be agreed to If so, the draft put up for approval and submission will meet the ca

Id
22-1-47

missed.
The main point seems to have been ~~issued~~. The G. of I want to know whether the 'cost' is based on the market value of the materials as on the date of the ~~mix~~ laying of the service line or the book value of the materials. This point has not been made clear by the El. Engr. of Govt.

Id
25-1-46.

should back ~~for~~ for
Yes, ~~shall a reference be~~ referred ~~that for~~ immediate report; the case has already been unduly delayed by introducing a separate usual issue. which, if need be could be dealt with separately.

Id
27/1/47

V. U/grant

u.o.to El. Engr. to Govt. dated 27-1-47 with files/no. G. ~~xxxxx~~ 1872/27 & 1116/36.

Bolar U.O.R. No. 6356/36/2987 dated the 27th January 1947.
from Government in the Public Works Department.

No. L R M 31 /4189 of 1947.
Bombay, 28th January 1947.

Returned, with compliments.

2. By the term " the actual cost of materials" stated in my letter No. 3797 dated the 31st December 1946 (page 19), it is meant that the Supply Company recovers the cost actually incurred by the Company in respect of the materials. Thus, if the Supply Company utilises material from its stock, the charges will be based on the book value of the articles in the Company's stock. On the other hand, if the supply Company actually buys raw material for the consumer's service line, the cost will be based on the price actually paid by the Supply Company, which will obviously be the ruling market price of the material

3. Nobody can force the supply company to utilise materials from its stock for the purpose of laying new service lines since this stock is primarily meant for maintenance work, and if the supply Company buys new material for the consumer's service line, the consumer will have to pay the actual cost paid by the Company.

Sd/-
Electrical Engineer to Govt.

No. 6356/36-El. (I). Public Works Department.
Bombay Castle, 29th January 1947.

From
R. H. Hamnett, Esquire, C. I. E., I. S. E.,
Secretary to the Government of Bombay,
Public Works Department (Irrigation).

To
The Secretary to the Government of India,
Department of Works, Mines and Power.

Subject:- Electicity -recovery of cost of Service connections from consumers-interpretation of the Indian Electricity Act.

Sir,

I am to refer to your letter No. El. II/211, dated the 2nd December 1946, and the subsequent reminder dated the 18th January 1947, on the above subject, and to state as under.

2. According to the practice prevailing in this province, the licensee have been recovering the charges for the service line at the actual cost of materials and labour plus 5% on both

materials and labour to cover over head charges as allowed in part II of the Conditions if Supply and Miscellaneous charges sanctioned by this Government in respect of these licensees. If the supply Company utilises material from its stock the charges levied are based on the book value of the material. If, however, the supply Company buys new material for the service line the cost is based on the actual price paid by the supply company i.e. the ruling market price. The supply company cannot be forced to utilise material from its stock if the book value happens to be less than the market value, since the stock is primarily meant for maintenance work.

3. The above practice is not based on any specific legal advice.

Your obedient Servant,
Id
29-1-47
For Secretary to the Government of Bombay,
Public Works Department.

D.A.-Nil.

Copy forwarded for information to the Electrical Engineer to Government with reference to his No. IRM/31/4189, dated the 28th January 1947.

Issued
29/1/47

Id.
29/1/47

6956/36

El. Br. (I)

Resubmitted.

2. Govt. of India's query on p. 17 ante has since been replied to. Attention is now invited to para 4 of the El. Engr's letter on p.19 wherein he has proposed to move the G.of I. to amend Clause VI of the Schedule to the I.E.Act, by the addition of a note below that clause defining the term "cost" on the basis of rule 70(2) of the El.S. Rules. It will be seen from para 2 of the letter on p.17 that the Govt. of India, themselves, propose to take the opinion of their advoc General re; the interpretation of the term "cost" used in clause VI of th Schedule to the I.E.Act in con. with the laying of service lines by licensees on requisition from the owners or occupiers of premises The question of any amendment to the requisite clause VI if found nec necy. will evidently be considered by the G. of I. It does not therefor seem necy. for this govt. to move the G. of I. in this a Con. If this view is agreed to, no further action on these pps. is necy. at this stage. The El. Engr. may perhaps see the ppss u.c . for information.

Id
7-2-47

u.o. to Sl. Engr. to Govt. dated 5-3-47. with file nos. -
1118/36 & 9872/27 N. LRM 31/4435 dated 13-2-47

Seen & returned with compliments.

Sd/-
Electrical Engineer To Government.

P.W.D

6356/36/6866

Sir, Re. (E)
submitted with refe. to this Deptt. u.o.r. dated the 8-8-47

Is
13-2-47

Regards.

IG
13/2/47

GOVERNMENT OF INDIA
DEPARTMENT OF WORKS MINES AND POWER (INDIA)

No. El. II/211, Dated New Delhi, the 22nd August 1947

From

N. P. Dube, Esq.,
Under Secretary to the Govt. of India.

To

The Secretary to the Govt. of Madras,
Public Works Department,
Fort St. George, Madras.

Subject:- Interpretation of the term "Cost" used in clause VI (b) of the Schedule to the Indian Electricity Act, 1910.

Sir,

I am directed to refer to your letter No. 6181 I/45-8, dated 3rd September 1946 on the above subject and to say that the Advocate General of India who has been consulted in the matter has expressed the opinion that in order to ascertain "the cost" of the Service line the current market value of the materials, and not the book value should be taken into consideration.

A copy of the opinion by the Advocate General is enclosed.

I have honour to be,
Sir,
Your most obedient Servant,

Sd/-
(N.P.Dube)
Under Secretary to the Govt. of India.

Copy forwarded to All Provincial Governments (except Madras) and Chief Commissioners, for information in continuation of this Department's endorsement No. El. II/211, dated the 2nd December 19

Copy forwarded to Electrical Commissioner for information.

Sd/- (N.P.Dube)
Under Secretary to the Govt. of India.

27/8d

El. Br.

5956/96/37252
P.W.D.

Please see (e) G. of I. letter on p. 17 ante. (b) El. Engr's letter on p. 19 ante (c) Notes on pp. 23-24 ante. (d) El. Engr's remarks on p. 27 ante. (e) G.L. on p. 29 ante.

2 It is seen from para 2 of the El. Engr's remarks on p 27 ante that the practice followed by the supply Coy's in this Province (when they buy new materials for the consumers' service lines) is in accordance with the opinion now expressed by the Advocate General of India that in order to ascertain the cost of the service line, the current market value of the materials and not the book value should be taken into consideration. The El. Engr. to Govt. may see this u.o. for his information.

Id
22/9/47.

Id
22/9/47

u.o. to El. Engr. to Govt. dated 23-8-47.

GOVERNMENT OF INDIA.
MINISTRY OF WORKS MINES AND POWER.

No. El. II/211. New Delhi, dated the 7th October, 1947.

From
N.P. DUBE, ESQUIRE,
Under Secretary to the Govt. of India.

To
All Provincial Governments and chief Commissioners
(except Delhi and Coorg).

Subject:- Interpretation of the term "cost" used in clause VI (I) (b) of the schedule to the Indian Electricity Act, 1910.

Sir,

I am directed to invite attention to this Department letter of even No. dated the 22nd August, 1947, on the above subject and to enclose a copy of the opinion by the Advocate General which was not enclosed with the letter referred to above. The omission is regretted.

Your obedient servant.

Sd/-
(N.P. DUBE)
Under Secretary to the Govt. of India.

Copy with enclosure forwarded to the:-

(1) Commissioner, Delhi, with reference to his letter No. F. 18 (47)/47-I.S.E., dated the 3rd Sept'47.

(2) Chief Commissioner of Coorg, Mercara, with reference to his letter No. 15627 R.Dis. 58/45 dated the 13th Sept' 47. A copy of this Department letter No.EL-II/211, dated the 2nd December 1945, is also enclosed.

(N.P. DUBE)
Under Secretary to the Govt. of India.

No. AGF- (31)/47-3017017

OPINION.

1. My opinion is asked on the question whether the expression "the cost" used in sub-head (b) of the first proviso to clause VI (1) of the Schedule to the Indian Electricity Act, 1910, is to be interpreted, in connection with laying of the service lines by licensees, as meaning the book value or the current market value of the materials used in connection with the service lines.

2. The interpretation to be put on the expression must be such as to apply to all cases that may arise. It must be uniform in that sense. It cannot mean the market value if the licensee actually buys the materials at the required time and the book value if he chooses to use materials from any stock held by him and which might have been purchased by him at a time

when the market was higher or lower than at the time when the materials were used. It is not incumbent on the licensee to hold a stock of materials for the purpose of laying service lines or to supply the materials required from any stock which he may be holding. The stock, if any, held by the licensee is not ear-marked for laying service lines. Even if the licensee uses material from his stock he is entitled to charge the owner of the property for them at the price at which they could be bought at the time when they are actually used.

3. In my opinion, in order to ascertain "the cost" of the service line, what is to be taken into consideration is the current market value of the materials used and not the book value. In my opinion, the point is reasonalby free from doubt.

Sd/- N.P. Engineer.
ADVOCATE - General of India.

New Delhi,
21st July, 1947.
~~SE. 3-10-47-50-D~~

6356/36/44568

El. Br. P. W. D.

Please see the C.of I. letter on pp 35-36 and the e.n. on p. 37 ante. The copy of the opinion of the Advocate General of India in the matter may be shown u.o. to the El. Engr. to Govt. for his information.

Id
21-10-47

Id
22/10/47

U. O. to El. Engr. to Govt. dated 23-10-47.

Below U. O. No. 6356/36/44568 dated the 23rd October 1947 from Government in the Public Works Department.

No. LRM 31/2451 of 1947.

Bombay 28th October 1947.

Returned with compliments

2. I fully agree with the opinion expressed by the Advocate General of India, so far as the cost of material used for the service line is concerned; but I wish to point out that there is an anomaly in determinig the cost of the service line itself, as pointed out in my letter No. LRM 31/3797 of 31-12-46 page 19. I suggest, therefore, that Government of India may be moved to define the cost of service line so that it will be in accordance with the cost as determined in Rule 70(2) of the I.E. Rules 1937.

Sd/-
Electrical Engineer to Govt.

GOVERNMENT OF INDIA By Air Mail.
MINISTRY OF WORKS MINES AND POWER.

No. El.-II/211 Dated New Delhi, the 18th October 1947.

From
N. P. Dube, Esquire,
Under Secretary to the Govt. of India.

To
(i) The Secretary to the Govt. of Bengal, Commerce, Labour and Industries Department.

(ii) The Secretary to the Government of United provinces, Public Works Department

Subject:- Interpretation of the term "cost" used in clause VI (I) (b) of the Schdule to the Indian Electricity Act, 1910.

Sir,

I am directed to enclose a copy of letter no. (i) 08/6925/67, dated 12-9-47 from Messrs. Octavius Steel & Co. Ltd., Calcutta (ii) S/SC-C.C., dated 1-10-47 from the Lower Ganges Jumna Electricity Distributing Company, Limited, Aligrah, (in liquidation) on the above subject asking for supply a copy of the Advocate General's opinion, which by an oversight was not enclosed with this Ministry's letter dated 22nd August 1947 but was subsequently circulated with this Ministry's letter of even number of 7/13th October 1947. The opinion of the Advocate General was meant for the use of the provincial Governments only and as that opinion may or may not be upheld in a court of Law, this Ministry does not consider it desirable that it should be circulated to the Electical Undertakings or other private bodies. If Provincial Government of Bengal U.P. see no objection, they may issue suitable replies to the firms.

I have the honour to be,
Sir,
Your obedient servant,
Sd/-. (N.P.DUBE)
Under Secretary to the Govt. of India.

Copy, without enclosures, forwarded for information to all Provincial Governments (except Bengal and United Provinces) the Chief Commissioner for information , in continuation of this Ministry's letters referred to above.

Sd/- (M.P.[illegible])
Under Secretary to the Govt. of India.

6356/36/A5918A A591A
P.W.D.

El. Dr.
Submitted.

2. Srl. No. A5918 :- While agreeing to the opinion of the Advocate General of India on p. 42 ante, the El. Engr. to Govt. reiterates his proposal, once made in his letter No. LPM-31/3797, dt. the 31-12-46, to move the G. of I. for defining the cost of service line. The position is elucidated below.

Under section 21(2) of the I. E. Act, 1910, a licensee with the previous sanction of Govt., given after consulting the local authority, where the licensee is not the local authority, ~~where the licensee is not the local authority,~~ make conditions not inconsistent with the I.E.Act, or with his license or with any rules made under the Act, to regulate his relations with persons who are or intend to become consumers, and may with the like sanction given after the like consultation add to or alter or amend any such conditions; and any conditions made by a licensee without such sanction shall be null and void.

3. In G.R.No. 9872/27, dt. the 5-5-36, Govt. approved a model form of conditions of supply of el. energy to be supplied by several licensees. Therein, the charges for service line are laid down as under:-

"One hundred feet of service line from the distributing main, but not on the property for which a requisition for supply of energy is received, shall be laid free of charge. The charges for the rest of the service line shall be recovered at the actual cost plus fifteen per centum to cover overhead charges."

4. The intention underlying the above condition is obviously to charge 15p.c. on labour only(and not both on labour and materials) to ~~cover cover overhead supervision~~ supervision charges. According to the practice prevalent in the Province, the several licensees have, however, been recovering the charge for the service line at the actual cost of materials and labour plus 15% on both materials and labour to cover overhead charges. This practice is not based on any legal advice.

5. In 1942, while dealing with the "Conditions and Miscellaneous charge" of the Ahmedabad Ely. Co., Ltd., the El. Engr. to Govt. pointed

out that according to rules, only the actual cost of service line is to be charged to consumers and the sanctioning of 15% on the material gives the licensee a chance to profiteer; and the El. Inspector who is to decide, under Cl. VI(3) of the Schedule to the I.E.Act, any dispute re: the cost of service line, is convinced in many cases that the actual cost incurred by the licensee in laying the service line is much less than the estimated cost on the basis of labour and material plus 15% on both labour and material, but in view of Govt.'s sanctioning the 15% Supervision charges on materials and labour, the Electric Inspector is unable to decide the actual work cost unless he considers the Govt.'s sanction of such supervision charges as Ultra Vires- vide, El. Engr's No. IRM-14/38/90, dated the 3-1-1942.

6. In view of the circumstances stated in the preceding para. and considering that any amendment in the existing 'conditions of supply' of several licenses may not meet the approval of the licensees, the El. Engr. to Govt. suggested that the Govt. of I. should be moved to amend clause VI of the Schedule to the I.E.Act, by the addition of a note below that clause, defining the term 'cost on the basis of rule 70(2) of the I.E. Rules, 1937 -vide, his No. IRM-14/79, dt. the 7-4-1942. The matter was, however, not pursued as it was considered that such a proposal raised a point which would make more work than the importance of the point justified vide, the then Secy.'s note, dt. the 14-10-1942 agreed to by the late Advisor for Finance.

7. In December 1946, the El. Engr. once again proposed to move the Govt. of I. in the matter, refd. to in the preceding para. The question was however not pursued for the reasons stated in the D.O.N., dt. the 7.2.47. The El. Engr. has in his No.IRM/2451, dt. the 28-10-47 again repeated his proposal refd. to above.

8. It is observed in this con. that under section 21(3) of the I.E.Act, 1910, Govt. can after consulting the Local Bodies concerned, annul any condition or part of a condition previously sanctioned under subsection (2) of the Act, after giving to the licensee not less than one month's notice in writing of its intention to do so. We can, accordingly, make necessary amendment in the condition quoted in para. 3 above to the effect that "the el

"the charges for the rest of the service line shall be recovered at the actual cost of the materials and labour plus 15% on labour only to cover supervision charges". If the "conditions of supply" of several licensees are amended by this Govt to this effect, there will not arise the difficulty, pointed out by the El. Engr. and mentioned in para. 5 above, which is presumably the main reason why the El. Engr. wants us to move the G.of I. as per his letter on p. 19 ante. A

9. The El. Engr. to Govt. may see these papers u.o. and pl. state whether the action suggested at "A" in the preceding para. will serve the purpose or he still considers necy. to move the G.of I.to amend Cl. VI of the schedule to the I.E.Act as originally proposed by him.

10. Srl. No. 4501A:- The El. Engr. to Govt. may see this u.o. for his information.

Id/-
19-11-47.

Id/-
20/11/47

+
u.o. to the Electrical Engr. dated 22-11-47 + with file no 1116/36I

Below U.O.R.No. 6325/36 dated the 22nd November 1947, from Government in the Public Works Department.

No. EBM. 31/458 of 1948.
Bombay 28th April 1948.
Returned, with compliments.

2. It appears to be doubtful if the paragraph headed "charges for service line" in part II of the Conditions of Sup. sanctioned by Government for various licensees can be amended as proposed at "A" in para. 8 of the Secretariat office note, under sub-section (3) of section 21 of the Indian Electricity Act, 1910, as the provisions of that sub-section simply refer to cancellation of any condition or part of a condition and not to amendment thereof. It seems that the conditions can only be amended in accordance with sub.section (2) of Section 21 the Indian Electricity Act and at the instance of the licensee, as indicated by the words " and may with the like sanction given ..... add to or alter or amend any such condition". As the proposed amendment of the conditions of supply is not likely to meet with the approval of licensees, such an amendment will not possibly be moved by the. In the circumstances, amendment clause VI of the Schedule to the Indian Electricity Act, as originally proposed by me, appears to be the only alternative.

3. It is, however, suggested that the remembrancer of legal affairs may be consulted as to whether the view expressed in para. 2 above regarding amendment to conditions of supply is correct.

Sd/-
Electrical Engineer to Govt.

6356/36/2230A.

El. Br. P.W.D.

Please see paras 2-9 of the O.N. d. the 19-11-47 The question at issue is whether the portion "B" on p-49, which is an extract from Part II of the "Conditions of Supply" sanctioned by Govt. for various licensees, can be amended as proposed at "A" on p 51 ante. The El. Engr. to Govt. is of the opinion that this cannot be done as section 21(3) of the I.E. Act provides for cancellation of any condition or part of a condition and not for amendment there of and holds the view that the conditions can only be amended in accordances with section 21(2) of the I.E. Act and at the instance of the licensee. The R.L.A. may be requested u.o. to state whether the view expressed by the El. Engr. is correct.

Id
15/5/48

Id
10/5/48

u.o. to the RLA.

Office of the R.L.A.

Conditions of supply made under section 21(2) of the Indian Electricity Act, 1910.

Rule 70 of the Indian Electricity Rules, 1937.

G.R.P.W.D. No. 9872/27, dated 5th May 1936.

One of the conditions approved by Government under section 21 (2) of the Indian Electricity Act, 1910, as per G.R., P.W.D. No. 9872/27, dated the 5th May 1936 is "one hundred feet of service line from the distributing main, but not on the property for which a requisition for the supply of energy is received, shall be laid free of charge. Charges for the rest of the service shall be recovered at the actual cost plus fifteen per cent to cover overhead charges". (See part I[1] of the conditions accompanying the aforesaid G.R.) It is considered that the levy of 15 per cent. Overhead charges gives the licensee a chance to profiteer and as such it is unjust. Consequently, the P.W.D. proposes in its note dated the 19th November 1947 to amend the condition to the effect that the charges for the rest of the service line shall be recovered at the actual cost of materials and labour plus 15 per cent. on labour only to cover supervision charges. The Electrical Engineer to Government has taken objection to this proposal on the ground that it has section 21(3) of the Indian Electricity Act gives power to cancel any

condition or part of a condition previously sanctioned under sub-section (2) and does not give power to Government to amend any condition. The R.L.A. is requested to advise.

2. Under Clause VI of the Schedule to the Indian Electricity Act, 1910, where ..... a requisition is made by the owner or occupier of any premises situate within the area of supply requiring the licensee to supply energy for such premises, the licensee shall, within one month cet.. supply and continue to supply energy in accordance with the requisition. Sub-clause (b) of the proviso to this Clause, however, provides that the licensee shall not be bound to comply with any such requisition unless and until the person making it, if required by the licensee so to do, pays to the licensee the cost of so much of any service line as may be laid down or placed for the purposes of the supply upon the property in respect of which the requisition is made, and of so much of any any service line as it may be necessary for the said purposes to lay down or place beyond one hundred feet from he licensee's distributing main. Section 21(2) of the Indian Electricity Act, 1910 requires that the conditions should not be inconsistent with the Act or with the licence or with any rules made under the Act. The condition authorises the recovery of the actual cost plus 15 per cent. to cover overhead charges. It is not quite clear what items were intended to be included in the expression" actual cost". The Model Form of Licensee's Conditions given stp. 406 of Meares' Law Relating to Electrical Engrgy in India and Burma xxx says that the licensee shall be entitled to charge the consumer the actual cost of materials and labour involved plus 15 per cent., subject to the provisions of Clause VI(1) of the Schedule to the Act, first proviso, sub-head(a). Attention may also be invited to Rule 70 of the Indian Electricity Rules, 1937, where the actual cost of an alteration is deemed to include the cost of the materials and the wages of labour and supervision charges to the extent of 15 per cent. upon the wages of labour only. The condition in part II appended to G.R. P.W.D. No. 9872/27, dated 5-5-1933, does not specify the component elements of "actual cost" and at the same time allows 15 per cent upon the actual cost. It may, therefore, be permissible for a licensee to include in the actual cost supervision charges on the actual cost so calculated. In the absence of any definition of what "actual cost" is supposed to be, to allow 15 per cent. upon the actual cost is to demand from the person making the requisition something more than what the law authorises the licensee to recover from him. Under clause

VI of the Schedule, so long as the person pays the actual cost, the licensee is under a legal obligation to supply energy to him which means that the licensee cannot demand anything more than the actual cost from him. To the extent, that the licensee is enabled to demand something more than the actual cost, the condition would be inconsistent with sub-clause (b) of the proviso to clause VI of the Schedule which is part of the Act and I feel that, on that ground that condition as it is worded now, is ultra vires.

3. Apparently, the intention underlying the condition was to charge 15 per cent. on the aggregate of the cost of materials and the cost of labour. Even in that respect it may be pointed out that there is no justification for adding 15 per cent. to the cost of the material. These overhead charges have no reference to the materials supplied. It is equitable that the licensee should get overhead charges by way of supervision upon the cost of labour. That is precisely what is provided for in Rule 70 quoted above. Therefore, the proper condition in such cases would be to allow the licensee 15 per cent. by way of supervision charges upon the wages of labour following the model of Rule 70. The Model Form Given on page 406 of Meares quoted before need not be followed to that extent.

4. The next point for consideration is how such alteration in the condition can be brought about. Under section 21(3) the Provincial Government may cancel any condition or part of a condition previously sanctioned under sub-section (2) after giving to the licensee not less than one month's notice in writing of its intention so to do. The power under sub-section (3) is that of cancellation as rightly pointed out by the Electrical Engineer to the Government of Bombay. Inasmuch as the expression "actual cost" has not been defined, to alter the condition so as to provide that the charges shall be recovered at the actual cost of materials and labour plus 15 per cent. of labour only to cover supervision charges would not amount to any cancellation even of part of the condition; for there is no distinct and severable part to-day which speaks of cost of materials. To effect a change in the

manner suggested by the P.W.D. would be substantially construed as altering or amending the condition and that would fall not under sub-section (3) but under sub-section (2) which leaves the initiative with the licensee. Presumably the licensees would not be prepared themselves to suggest the alteration which the P.W.D. has in view. Therefore, the proper course would be for government to cancel that part of the condition viz. " The charges for the rest of the service line will be recovered at the actual cost plus fifteen per cent to cover over head charges." Such cancellation would then lead to this result that the licensee would be able to recover the actual cost in terms of sub-clause (b) of the proviso to clause VI of the Schedule and in case of dispute as to what is the actual cost, a reference would have to be made to the Electrical Inspector under sub-clause (3) of that clause. It may be brought to the notice of the licensees that this would mean frequent reference and absence of uniform standard and that therefore, it may be to their interest to evolve a uniform condition which will provide for the recovery of -

(i) cost of materials,
(ii) Wages of labour, plus
(iii) Supervision charges to the tune of 15per cent. of item (ii).

I would, therefore , advise that Government should cancel the latter part of the condition as suggested above and then, in consultation with the licensees, evolve a new condition on the lines indicated above.

Sd/-
Remembrancer of Legal Affairs.

U.O. to O.W.D., No. 8239 , dated the 27th August 1948.

5956/36/4734
P.W.D.

Submitted-

2. In G.O.No. 9872/27, dated the 5th May 1936, Govt. has approved a model form of conditions of supply of electric energy to be supplied by several licensees. Therein, the charges for service line are laid down as under:-

"One hundred feet of service line from the distributing main, but not on the property for which a requisition for supply of energy is received, shall be laid free of charge. The charges for the rest of the service line shall be recovered at the actual cost plus fifteen per centum to cover overhead charges".

3. The intention underlying the above condition is obviously to charge 15 p.c. on labour only (and not both on labour and materials) to cover supervision charges. Adverting-----

According to the practice prevalent in the Province, the several licensees have, however, been recovering the charges for the service line at the actual cost of materials and labour plus 15% on both materials and labour to cover overhead ~~ib vitg materuaks abd kaviyr ti civer ivergeed~~ charges. This practice is not based on any legal advice.

4. In 1943, while dealing with the "conditions and miscellaneous charges" of the Ahmedabad Electricity Company, Limited, the El. Engr. to Govt. pointed out that according to rules, only the actual cost of service line is to be charged to consumers and the sanctioning of 15% on the material gives the licensee a chance to profiteer; and the El. Inspector who is to decide, under Clause VI(3) of the Schedule to the I.E. Acts, any dispute regarding the cost of service line, is convinced in many cased that the actual cost incurred by the licensee in saying the service line is much less than the estimated cost on the basis of labour and material plus 15% on both labour and material, but in view of Govt's sanctioning the 15% superivision charges on materials and labour, the Electic Inspector is unable to decide the actual cost unless he considers the Govt's sanction of such superivsion charges as ultra vires- vide. El. Engr's No. LRM-14/3190, dated the 3rd January 1942.

5. In view of the circumstances stated in the preceding para. and considering that any amendment in the existng "conditions of supply" of several licensees may not meet the approval of the licensees, the El. Engr. to Govt. suggested that the Govt. of India should be moved to amend clause VI of the schedule to the I.E.Act, by the addition of a note below that clause, defining the the term "cost" on the basis of rule 70 (2) of the I.E. Rules, 1937-vide, his no. LRM 14/79, dated the 7-4-1942. The matter was, however, not pursued further as it was considered that such a proposal raised a point which would make more work than the importance of the point justified- vide, the then Secy's note, dated the 14-10-1942, agreed to by the late Adviser for Finance.

6. In December 1946, the El. Engr. once Again proposed to move the Govt. of India in the matter referred to in the preceding para.

The question was, however, not pursued for the reasons stated in the O.N. dated the 7th February 1947. The El. Engr. has ~~in the proceedings~~ in his No. LRM/2451, dated the 28-10-47, again repeated his proposal referred to above.

7. The R.L.A.'s advice was sought whether without approaching the Govt. of India for amending the I.E.Act, as proposed by the El. Engr. this Govt. could amend the existing conditions of suppoy of several licensees so as to permit tem 15% by way of supervision charges upon the wages of labour only. The R.L.A. is of the opinion that this could be done as follows:-

Govt. should cancel that part of the condition viz. "The charges for the rest of the service line will be recovered at the actual cost plus fifteen per cent to cover overhead charges". Such cancellation would then lead to this result that the licensee would be able to recover the actual cost in terms of sub-clause (b) of the proviso to clause VI of the Schdule and in case of dispute as to what is the actual cost, a reference would have to be made to the Electrical Inspector under sub-Clause (3) of that clause. It may be brought to the notice of the licensees that this would mean frequent reference and absence of uniform standard and that, therefore, it may be to their interest to evolve a uniform condition which will provide for the revovery of (i) cost of materials (ii) wages of labour plus (iii) superivision charges to the extent of 15% of labour only.

8. The El.Engr. may be requested to state whether the action suggested by the R.L.A. would serve the purpose or he considers that such a course would not be accepted by the licensees and would lead the El. Inspector being constantly dragged to settle disputes.

Id
13/10/48

Id
13/10

u. o. to El. Engr. to Govt. dated 15 -10-48.

Below U.O.R. No. 6356/36/47344 dated the 15th October 1948, from Government in the public works Department.

No. LRM 3/3589 of 1948.
Bombay, 20th October 1948.

Returned with compliments.

2. I entirely agree with the Remembrancer of Legal Affairs that the part of the condition viz, "The charges for the rest of

the service line will be recovered at the actual cost plus fifteen per cent to cover overhead charges should be deleted as it is ultra vires of the provisions of clause VI, 1st proviso (b) of the schedule to the Indian Electricity Act, 1910. Simultaneously with the deletion as above, the licensees should be informed by Government that they are entitled to recover only the actual cost of the service line on the basis prescribed in rule 70 (2) of the Indian Electrical Rules, 1937, viz the cost of materials and labour plus supervision charges of 15% on labour only.

3. I do not think that the above course would lead to the multiplicity of disputes under sub-clause (3) of clause VI of the schedule to the Act, as the deletion of the part of the condition does not adversely affect the interest of the consumers.

Sd/-
Electrical Engineer to Govt.

6956/36/57785.

El. Br.

Submitted with reference to the C.N., dated the 13-10-48.

2. In para 3 of his note within, the El. Engr. states that he does not think that the course suggested in para 2 of his note would lead to the multiplicity of disputes. In this case, pl. see the then El. Engrs (Mr. Higham.) note No. LRM 14/79, dated the 7-4-1942, wherein he has opined that such course would implicate disposal of a number of disputes and add enormously to the work of the El. Inspector and that the best way to recondite the position would be to move the G. of I. to amend clause VI of the Schedule to the Act by the addition of a note below that clause, defining the term "cost" on the basis of rule 70(2) of the I. E. Rules, 1937.

The two views, mentioned above, on the same subject, seem to be conflicting. Specific attention of the El. Engr. may be invited to this fact, and in case he still thinks that the opinion given in para 3 of his note does not require to be revised, the course suggested by him in para 2 of his note will be adopted.

Id
17/12/48

Id
17/12

M. o. to El. Engr. to Govt. dated 18-12-48.

Below U.O.R.No. 6356/36/57785 dated the 18th December 1948, from Government in the Public Works Department.

No. IRM. 31/6193 of 1949.

Bombay, 8th January 1949.

Returned with compliments.

2. The view expressed by the late Electrical Engineer in his note at page 137 of file No. 1116/36. I, referred to amendment proposed at 'A' in para 3 of the Secretariat office note dated 26-1-1942, at pp. 124- 125 of the same file and which amendment, as its wording indicated, would have led to a number of references for decision to the Electric Inspector. The course now suggested is materially different and will not, in my opinion, as already expressed, lead to the multiplicity of disputes, under subclause (3) of Clause VI of the schedule to the Indian Electricity Act, 1910, for the reason stated in para 3 of my note at pp. 69070 ante; but on the contrary, it would enforce the statutory obligation on the licensee to recover service charges in accordance with the provisions of subclause (b) of the first proviso of clause VI of the schedule to the Act.

3. In this connection, it is suggested that instead of deleting the portion of the condition as originally proposed, the entire clause "charges for service line" Service & Miscellaneous charges" below Part II may be deleted; as the first part of the condition bi simply repeats the provision of sub-clause (b) of the 1st proviso of Clause VI of the schedule and it will materially be without any force, when the latter portion of the clause is deleted.

Sd/-

Electrical Engineer to Govt.

Name of the Licensee.	Collector Concerned.
1. The Tata Hydro-Electic Power Supply Company, Limited.	Collectors of Bombay, Bombay Suburban District Poona and Kolaba.
2. The Andhra Valley Power Supply Company Limited.	-do-
3. The Tata Power Company, Limited	-do-
4. The Ahmedabad Electricity Company, Limited.	Collector of Ahmedabad.
5. The Viramgam Electric Supply Company Limited.	-do-
6. The Sanand Electirc Supply Company Limited.	-do-
7. The Poona Electric Supply Company, Limited.	Collector of Poona.
8. The Lonavla-Khandala Electric Supply Company, Limited.	-do-
9. The Barmati Electric supply company, Limited.	-do-
10. N.P. Thopate, Esquire, Licensee, The Junnar Electric License, 1937.	-do-
11. N.P. Thopate, Esquire, Licensee, The Nira-Lenand Electric License, 1940.	-do-
12. The Surat Electicity Company, Limited.	Collector of Surat.
13. The Rander Electric Supply Company, Limited	-do-
14. The Amalgamated Electricity Company (Belgaum) Limited, (Sulsar Branch).	-do-
15. The Udwada-Vapi Electric Supply Company, Limited.	-do-
16. The Shelapur Spinning and Weaving Company Limited.	Collector of Shelapur.
17. G.P. Upasp, Esquire, Licensee, The Pandharpur Electric License, 1941.	-do-
18. The General Engineering Corporation Limited (Barsi).	-do-
19. The Broach Electic Supply and Development Corporation Limited.	-do-
20. The Godhara Electricity Company, Limited	Collector of Panchmahals.
21. The Dohad Electicity Company. Limited	-do-
22. The Bombay Suburban Electic supply Company, Limited.	Collector of Bombay Suburban District.
23. The Bijapur Electric Supply Company, Limited.	Collector of Bijapur.
24. Kamshangonda alias Babasheb Sanjeppa Hirdesai, Licensee, The Bagalkot Electric License, 1932.	-do-
25. The Dharwar Electric Supply Company, Limited	Collector of Dharwar.

Name of the Licensee.	Collector Concerned.
26. S.A. Manvi, Esquire, Licensee, The Haveri Electric License,	Collector of Dharwar.
27. S.A. Manvi, Esquire, Licensee, The Gadag Electric License, 1936.	-do-
28. S.A. Manvi, Esquire, Licensee, The Byadgi Electric License, 1937.	-do-
29. S.A. Manvi, Esquire, Licensee, The Ranebennur Electric License, 1937.	-do-
30. The Thana Electric Supply Company, Limited.	Collector of Thana -do-
31. The Kalyan Electric Supply Company, Limited.	-do-
32. The Bassein Electric Supply Company, Limited.	-do-
33. The Amalgamated Electricity Company (Belgaum) Limited (Bhiwandi Branch).	-do-
34. K.V. Sane, Esquire, Licensee, The Palghar Navli Electric License, 1939.	-do-
35. The Jangaon Electric Supply Company, Limited.	Collector of East Khandesh.
36. The Malner Electric Supply Company, Limited.	-do-
37. The Bhusawal Electricity Company, Limited.	-do-
38. The Chaliagaon Electricity Company, Limited.	-do-
39. The Chopda Electric Supply Company Limited.	-do-
40. The Savda-Raipur Electric Supply Company, Limited.	-do-
41. The Dhulia Electric Supply Company, Limited.	Collector of West Khandesh. -do-
42. The Nandurbar Electric Supply Company, Limited.	-do-
43. The Nadiad Electric Supply Company, Limited.	Collector of Kaira. -do-
44. The Anand Electric Supply Company, Limited.	-do-
45. The Daker Umreth Electricity Company Limited.	-do-
46. The Panchgani Electric Supply, limited	-do- Collector of Satara.
47. The Satara Electric Supply Company, Limited.	-do-
48. The Karad Electric Supply Company	Collector of Satara.
49. The Panchgani Electric Supply Company Company, Limited, Licensees, The Mahableshwar Electric License, 1940	-do-

Name of the Licensee.	Collector concerned.
50. The Allied Electric Agencies Limited (Satara), Licensees, The Koregaon Electric License, 1940	Collr. of Satara
	-do-
51. The Wai Electric Light and Power supply Corporation, Limited.	-do-
52. The Panvel Taluka Electric Development Company, Limited.	Collector of Kolaba.
53. Messrs. Oka Brothers and Thopte Company, Mahad.	-do-
54. The Tata Hydro Electric Power Supply Company, Limited (Khopoli Electric License, 1936).	-do-
55. The Matheran Electric Supply, Company, Limited.	-do-
56. The Nasik Deolali Electric Supply Company, Limited.	Collector of Nasik.
57. The Malegaon Electricity Company Limited.	-do-
58. The Sinnar Electric Supply Company, Limited.	-do-
59. The Igatpuri Electric Supply Company, Limited.	-do-
60. The Yeola Electric Supply Company, Limited.	-do-
61. The Manmad Electric Supply Company, Limited.	-do-
62. The Ahmednagar Electric Supply Company, Limited.	Collector of Ahmednagar
63. The Sangamner Electricity Company, Limited.	-do-
64. The Amalgamated Electricity Company, (Belgaum Limited (Belgaum Branch).	Collector of Belgaum.
65. The Nipani Electricity Company.	-do-
66. K.V. Sane, Esquire, License, 1940. Licensee, The Athni electric License, 1940	-do-
67. The Bombay Electric Supply and Transport Undertaking.	Collector of Bombay.

No. 6356/36-K1. Public Works Department,
Bombay Castle, 6th June 1949.

From

The Secretary to the Government of Bombay,
Public Works Department (Irrigation)

To.

All Licensees in the Province of Bombay.

Subject:- Conditions of supply and Miscellaneous charges.

Sir

Dear ____,
Sirs

I am directed to state that one of the conditions for supply of electricity sanctioned in respect of your undertaking is as follows:-

"Charges for service line:- One hundred feet of service line from the distributing main, but not on the property for which a requisition for the supply of energy is received, shall be laid free of charge. The charges for the rest of the service line shall be recovered at the actual cost plus fifteen per centum to cover over head charges".

The intention underlying the above condition is obviously to charge 15% on labour only to cover supervision charges. It has, however, been brought to the notice of Government that several licensees have been recovering the charges for the service line at the actual cost of materials and labour plus 15% on both materials and labour to cover overhead charges. This is not justified. Government has, therefore, decided to cancel the part of the service condition reading "The Charges for the rest of the service line shall be recovered at the actual cost plus fifteen per centum to cover overhead charges"; and so far as you are concerned, this letter should be taken as a due notice in terms of section 21(3) of the Indian Electricity Act, 1910.

2. I am to add for your information that the cancellation of the condition as stated above would lead to the result that you would be able to recover the actual cost in terms of sub-Clause (3) of the first proviso to clause VI of the Schedule to the Indian Electricity Act, 1910, and in case of dispute as to what is the actual cost, a reference would have to be made to the Electrical Inspector under Sub-clause (3) of Clause VI. This would mean frequent references and absence of uniform standard. It will therefore be to your own interest to evolve a uniform condition which will provide for the recovery

(i) cost of materials (ii) wages of labour, plus (iii)

(iii) supervision charges to the extent of 15% of item (ii) only.

3. I am, accordingly, to advise you to apply to Government at once under Section 21(3) of the Indian Electricity Act, 1910, for the amendment of the condition, mentioned in paragraph one above, as suggested in paragraph 2 above, failing which necessary action for cancellation of the condition will be taken by Government.

Yours faithfully,
Sd/-
(N.P.Gurjar),
for Secretary to the Government of Bombay,
Public Works Department.

D.A. -Nil.

Copy forwarded to the collectors of Districts of Bombay, Bombay Suburban District, Poona, Kolaba, Ahmedabad, Surat, Sholapur, Broach, Panch Mahals, Dinapur, Dharwar, Thana, East Khandesh, West Khandesh, Kaira, Satara, Nasik, Ahmednagar, Belgaum, for favour of early remarks with reference to paragraph one of the Government letter after consulting the local authorities concerned, as required by section 21(3) of Indian Electricity Act, 1910.

2. The accompanying statement gives the names of the licensees and the Collectors concerned.

Copies forwarded for information to the Electrical Engineer to Government with reference to his No. IPM. 31/ 6193, dated the 8th January 1949.

Issued
21/6

THE ASSOCIATION OF ELECTRICAL UNDERT
BOMBAY PROVENCE

Killick Building
Home St.

Bombay 9th July, 1949.

Ref No. AEU/23/370/49

The Secretary to the Government of Bombay,
Public Works Department,
Bombay.

Dear Sir,

Conditions of supply and miscellaneous charges

The Association's attention has been drawn to your letter No. 6956/31-E1 of 6th June addressed to all licensees.

The Council of this Association are of the view that Government is not right in thinking that it can withdraw approval under Section 21 of the Electricity Act, 1910, to Licensees' methods of assessing "overhead" charges in connection with charge for service lines.

Service line charges fall under Clause VI of the Schedule to the said Act and are separate and distinct from the "conditions of supply" referred to under Section 21 of the Act. This distinction has been observed by Government itself in the Model Form of Conditions and Miscellaneous Charges, wherein the Miscellaneous charges (Part III) are separated from the "conditions of Supply" (part II).

No doubt some licensees may prefer to use some other method of assessing actual cost in respect of service Lines under Clause VI of the Schedule to the Act and not employ the aforesaid arbitrary formula for assessing the "overhead" component, as the latter at 15% of Materials and Labour may not be adequate. It should, however, be pointed out that if any licensee prefers to retain this latter method, it has the highest sanction vide Clause XVII (6) (e) of the Sixth Schedule to the Electricity (Supply) Act, 1948.

I have been instructed by the Council to advise Members accordingly.

In this connection it occurs to the Council to suggest that it would be of advantage to all concerned if Government could invariably consult this Association before issuing communications and directives affecting the interests of licensees in the Province as by so doing the most cumulative experience of th industry would be available to the Province, thus avoiding the complications arising out of unilateral decisions.

In this instance even a copy of the letter was not endorsed the Association, and it was left to a Member to bring the contents thereof to the Association's notice.

Yours faithfully ,
Sd/-
Secretary

Copy to all members.

6356/96/A5558

El. Br. P.W.D.

With refce. to G.I. No. 6356/96-El., dated the 6-6-49, the Assocn. of Elecl. Undertakings, Bombay Province, has raised the following objections:-

(a) Service line charges fall under clause VI of the Schedule to the I.E. Act, 1910, and are separate and distinct from the "Conditions of supply" refd. to under section 21 of the I.E. Act, 1910 Govt. cannot therefore, with drawn approval to licensees' methods of assessing "overhead" charges for service line charges under Section 21 of the I.E. Act:

(b) Clause XVII (6) (a) of the sixthe Schedule to the Ely. (supply) act, 1948, grants the highest sanction to a licensee for charging 15% on both materials and labour to cover overhead charges in con. with service line charges.

2. The Govt. letter refd. to above was issued at the instance of the El. Engr. and in consultation with the R.L.A.

With refce. to (a) above, it is stated that service line charges may be falling under cl. VI of the Schedule to the IE. Act, but the condition approving the ~~recovery~~ recovery of charges for service line at the actual cost plus fifteen per centum to cover overhead charges, is sanctioned under section 21(2) of the I.E. Act, and such condition can be cancelled under section 21(3) of the I.E. Act. The Assoc'ns argument in this ~~xxx~~ con. does not seem to be correct the El. Engr. may however, be requested to give his opinion in the matter in the light of the objection raised by the Assocn.

3. With recce. to (b) in para one overleaf, it is stated that Cl. XVII (6) of the sixth schedule to the Ely. (Supply) Act, 1948, reads as follows:-

(6) "Original cost" means in respect of any as set the sum of -

(a) the cost of the asset to the licensee including the cost of delivery and all charges properly incurred in erecting and bringing the asset into beneficial use.

(b) interest charges on capital expenditure incurred from ~~xx~~borrowed money and properly attributable to the asset up to the date of bringing into use at a rate not exceeding average Reserv Bank rate ruling at that time plus one per cent.

(c) a proper addition on account of supervision not exceeding fifteen per centum of the cost refd. to in sub.paragraph (a)

Here the argument of the Assocn. seem to be ~~gaining~~ gaining ground as cl. (c) read together with cl. (b) on p. 96 ante appear to mean that a licensee is at ~~him~~ liberty to charge as ~~on~~ supervision charges, 15% both on labour and materials, in respect of charges for service line, which is an asset to the licensee. This is however a matter of legal interpretation. The El. Engr. and the El. Commr. may be requested u.o. to offer their remarks in this con.

4. On return, the papers will, if ~~nec~~ necy, be refd. u.o. to the R.L.A. for his opinion in the matter.

Id
12-8-49

Id
12/8/49

u.o.r. to the Electl. Engr. and El. Commr. dated the 13-8-1949.

No. POL. 1238
Surat, 22nd September 1949.

To
The Secretary to the Government of Bombay,
Public Works Department.

Subject:- Conditions of supply and miscellaneous charges in electrical licences.

References:- Government letter, Public Works Department No. 6356/36 -KK, dated 6-6-49.

The Executive Engineer who has been consulted agree with the proposals made in para. 1 of the Government letter quoted above. There is therefore no objection to amend the condition as proposed.

~~Exe~~ Sd/-
For Collector, Surat.

22/9

6356/36/6297A
P.W.D.

El. Br.(I)

Submitted

2. The main file (No. 6356/36) is under u.o.r. to the Elecl. Engr. &

and the Elecl. Commissioner since 12-8-49.

3. This may also be referred u.o.to these officers in continuation with a request to return the main file will their remarks thereon u.o. at an early date.

Id
29/9/49

Id
30/9/49

u.o.to the El. Engr. to Govt. & the El. Commr. dated 6th Oct. 1949.

Below U.O.R. No. 6356/36/4555 dated the 13th August 1949, from Government in the Public Works Department.

No. LRM 31/5220 of 1949.
Bombay, 12th October 1949.

Returned, with compliments, through the Electrical Commissioner with the Government of Bombay, with U.O.R. dated the 6th October 1949.

2. The contention made in paragraphs 2 and 3 of the Association's letter at pages 91-93 ante does not seem to be correct as sub-section (2) of section 21 of the Act enables the licensee to make conditions not in consistent with the Act, and as clause VI of the Schedule to the Act, to which the condition in Part II relates, is part of the Act, the condition in question seems to be validly made under section 21(2) of the Act and can be cancelled under section 21(3) thereof.

3. The Association's reasoning in para 4 of its letter base clause XVII(6) of the sixth Schedule to the Electricity (Supp.) 1948, seems to be correct, and in view of this provision, it appear necessary to proceed further with the proposals Government letter at pages 89-90 ante.

Sd/-
Electrical Engineer to Govt.

Below P.W.D. U.O.R. No. 6356/36/4555 dated 13-8-1949 received through Electrical Engineer to Government on 14-10-1949.

Electric Grid Department.

I agree with the views of the Electrical Engineer to Government expressed in para. 3 of his letter No. LRM. 31/5220 dated 12-10-1949 at p 99 ante.

From

To The Secretary to Government,
Public Works Department,
Bombay.

U. O. R. No. Elg. 46(1)/18590

Bombay, dated 9th November, 1949.

6356/36/7k186.
P.W.D.

El. Br.(I)

In accordance with the conditions of supply, sanctioned by Govt., several licensees have been recovering the charges for the service line at the actual cost of materials and labour plus 15% on both materials and labour to cover overhead charges. The El. Engr., however, pointed out in this con. that only the actual cost of service line should be charged to consumers and sanctioning of 15% on the materials gives the licensees a chance to profitter. Govt., therefore, decided in consultation with the R.L.A. to cancel the licensees' condition of supply regarding service line charges under Section 21(3) of the ~~ex~~ I.E.-Act, 1910 and ~~&~~ advised the licensees to apply to Govt. under Section 21(2) of the I.E.-Act for the amendment of the condition of supply, which should provide for -

i) Cost of materials
ii) Wages of labour, plus,
iii) Supervision charges to the extent of 15% of item (ii) only.

vide G.L. No. 6956/36-El., dated the 6-6-49.

2. The Assocn. of Elecl. Undertakings, Bombay Province, has since pointed out in this con. that clause XVII (6) (c) of the Sixth schedule to the Ely.- (Supply) Act, 1948, grants the highest sanction to a licensee for charging 15% both on materials and labour to cover overhead charges in con. with service line charges. The El. Engr. observes that the Assocn's reasoning seems to be correct and that therefore it does not appear necy. to proceed further with proposals made in the Govt. letter at pp. 89-90 ante. The El. Commr. agrees with the views expressed by the El. Engr. In the circumstances, orders issued in G.L. No. 6356/36-El. dated the 6-6-49 , may be cancelled as per draft put up, if approved.

Id Id
22-11-49

Id
24-11-49

15% of to over head charges" as accepted earlier was, in my humble opinion not correct. 'Cost' includes cost of materials and cost of labour and 15% was to be calculated on the actual cost.

I do not see adequate justification for the view that the 'intention' was to limit 15% only to cost of labour. (vide para 3 of adv. general's opinion on p. 42). Purchases require supervision, as much as labour.

The Elec.(Supply) at 48 supports this reasoning as printed out by the Assen. agsn.

The orders issued earlier may be cancelled.

There is some force in the place of the Assen. that may should have been consulted. This will be borne in mind.

Id
24/11

Id
1-12-49.

No. 6356/36-El. (I)

Public Works Department,
Bombay Castle (Bombay No. 1),
14th December 1949.

From

The Secretary to the Government of Bombay,
Public Works Department.

To

All Licensees in the Province of Bombay

Subject:- Conditions of Supply and Miscellaneous Charges.

Sir
Dear Sirs,

I am directed to refer to Government Letter No.6356/36-El dated the 6th June 1949, on the above subject, and to state that in view of the provisions of Clause XXII(6) of the sixth Schedule to the Electricity (Supply) Act, 1948, Government has decided to ~~withdraw~~ cancel the orders issued in the above Government Letter.

Yours faithfully,

Id
7-12
(G.V. Bedekar),
for Secretary to the Government of Bombay,
Public Works Department.

D.A. Nil.

Copy forwarded to the collectors of Districts of -

Bombay,	Dharwar,
Bombay Suburban District,	Thana,
Poona,	East Khandesh,
Kolaba,	West Khandesh,
Ahmedabad,	Kaira,
Surat,	Satara,
Sholapur,	Nasik,
Broach	Ahmednagar,
Panch Mahals,	Belgaum,
Bijapur,	

for information with reference to Government Endorsement No. 6356/36-El., dated the 6th June 1949, and with an intimation that no remarks are now necessary in the matter.

Issued
24/12/ Id/

No. T.E.L. 4.
Belgaum 15th October 1949.

To

The Secretary to Government,
Public Works Department, Bombay.

Subject:- Conditions of supply & miscellaneous charges.

References:- Government No. 6356/36-El dated 6-6 - 1949.

All the Municipalities in the district have been consulted and they agree that the Government's decision to cancel the part

of the conditions as detailed in para one of the above referred to Government reference, is justifiable.

Sd/-
Collector of East Khandesh.

No. T. E. L. 4.
Jalgaon 15th October 1949.

To

The Secretary to Government,
Public Works Department, Bombay.

Subject:- Conditions of supply & miscellaneous charges.

Reference :- Government No. 6956/36-K1. dated 6-6-1949.

All the Municipalities in the district have been consulted and they agree that the Government's decision to cancel the part of the condition, as detailed in para one of the above referred to Government reference, is justifiable.

Sd/-
Collector of East Khandesh.

14
14/10

47

Letter

No. M. C.W.S. - 3417
Nasik, 20th Dec., 1949.

To

The Secretary to the Government,
P.W.D. (Irrigation) Bombay.

Subject :- CONDITIONS OF SUPPLY AND MISC. CHARGES.

Ref:- Government letter No. 6356/36-El. dated 6-6-49

The local authorities viz, the Municipalities of Nasik, Malegaon, Sinnar, Igatpuri, Yeola and Manmad were consulted and they agree to the amendment proposed by Government regarding the ser service line charges and percentage charges together with the conditions embodied therein.

Id
29/12

P.A.
for Collector of Nasik.

~~XXXX~~
~~CRS. 20-12-49~~

~~XXXXXXXXXX~~.

Id
20/12

49

(ALL CORRESPONDENCE TO BE ADDRESSED TO THE SECRETARY.)

THE ASSOCIATION OF ELECTRICAL UNDERTA-

KINGS BOMBAY PROVINCE

Telephone No. 30901.

Registered Office:
KILLICK BUILDING.
HOME STREET.

Ref No. AEU/28/724/50 Bombay 9th January 1950.

The Secretary to the Government of Bombay,
Public Works Department,
Bombay.

Dear Sir,

Conditions of supply and miscellaneous Charges.

The Association's attention has been drawn to Government's letter No. 6356/36-E1 (I) of 14th December addressed to all Licensees cancelling the order issued by Government in terms of their letter No. 6356/36-E1 of 6th June, 1949.

This is, indeed, mkx satisfactory.

However, as the issue was taken up by the Association on behalf of its constituent members, it would have been appropriate if a copy of the letter under reference had been endorsed to the Association. As such, it was left to any member to bring the contents of the letter to the Association's attention.

I shall be, indeed, agrateful if instructions are issued to all concerned in the Department to send copies of communications Government address to Licensees to the Association as this would keep the Association apprised of developments.

Yours faithfully,
Sd/-
Secretary

6356/36/

6356/36/3028

No. 6356/36-El. (I).

P. W. D.
B.C. (Bombay No. 1)
7th February 1950

To

The Secretary, the Assocn. of Local. Undertakings,
Bombay Province,
Killick Bldg., Horn Street, Bombay.

Subs- Conditions of supply and miscellaneous charges.

Dear Sir,

With refc. to your letter No. AEU/28/224/50, dated the 5-1-50, I am directed to stab that it is regretted that a copy of G.L.No. 6356/36-El. (I), dated the 14-12-49, remained to be forwarded to you throughout sight. In future, communications which may be considered necy. to be endorsed to you by Govt., will be forwarded to you

D.O.-Nil

Yours faithfully,

Id
4-2-50

Id
3-2-50

6356/46

El. Br.

In C.L. No. 6356/36-El. dated the 6-6-49 the licensees in the Province of Bombay have been advised to apply to Government under Section 21(2) of the I.E. Act, 1910 for the amendment of the conditions in respect of the charges for service lines. The following coys have accordingly applied to Govt. for approval to the amendment to the condition or supply concerned -

(1) The Stara Elec. Supply Coy. Ltd.,

(2) The Viramgaon ,, ,, ,, ,,

(3) The Dahor Umreth Electy. Coy. Ltd.

(4) The Bijapur Elec. Supply Coy. Ltd.,

while the Coy's given below have, for the reasons explained in their respective letters, requested Govt. to reconsider the decision taken by it in the matter and to allow the sanctioned charge to remain in force -

(1) The Dahad Electy. Co. Ltd.,

(2) The Amalgamated Electy. Coy.(Bel.) Ltd.

(3) The Malegaon Electy. Coy. Ltd.,

(4) The Jalgaon Elec. Supply Coy. Ltd.,

(5) The Amalgamated Electy. Coy. (Bel.) Ltd., (Bhiwandi Br.)

(6) The Chalisgaon Electy. Coy. Ltd.,

(7) The Ellasawal Electy. Coy.

(8) The Amalgamated Electy. Coy. (Bel.) Ltd., (Bulsar Br.).

2. The Association of Electy. undertakings Province of Bombay has in its letter dated the 9-7-49 raised a question of vital importance in connection with the decision taken by Government in the matter. In view of the observations contained in the Association's letter the question pertaining to the service line charges may have to be reconsidered in consultation with the E.L.S. and the Legal Advisor. Necessary action in the matter is being taken on file No. 6356 The files put up below which contain applications from the Electy. undertakings mentioned above may be awaited till the matter is finally decided.

Id
4/8/49

Id
4/8/49

Letter

Collector's English Office,
No. E.O.W.S. III- 3189 of 1949.
Ahmednagar 31 -9- 1949.

From :-

R. C. Joshi, Esquire, I.C.S.,
Collector of Ahmednagar.

To,

The Secretary to the Govt. of Bombay,
Public Works Department. (Irrigation)
BOMBAY.

Subject:- Conditions of supply and Miscellaneous charges.

Reference :- Your No. 6356/36-E-L- dt. 6th June 1949.

Sir,

The Matter was referred to the President, Borough Municipality and Sangamner Municipality. Both the Municipalities agree to the Government suggestions laid down in the first para of Government letter under reply.

Yours faithfully,
Sd/-
(R.C. Joshi)
Collector of Ahmednagar.

Id
31/8

Letter

Collector's English Office,
No. E. O.W.S. III- 3189 of 1949.
Ahmednagar 31 -9-1949

From

R.C. Joshi, Esquire, I.C.S.,
Collector of Ahmednagar.

To,

The Secretary to the Govt. of Bombay,
Public Works Department. (Irrigation)
BOMBAY

Subject:- Conditions of supply and Miscellaneous charges.

Reference:- Your No. 6356/36-E-L- dt. 6th June 1949.

Sir,

The matter was referred mxxxx to the President, Borough Municipality ad Sangamner Municipality. Both the Municipalities agree to the Government suggestions laid x down in the first para of Government letter under reply.

Yours faithfully,
Sd/-
(R.C.Joshi)
Collector of Ahmednagar.

Id
31/8

LETTER

To

The Secretary to Government,
Public Works Department,
BOMBAY.

Subject:- Condition of supply and Miscellaneous charges

Reference:- Government letter No. 6356/36/Ele, dated 6-6-1949 to all licensees and copy to me.

No. EL. S. C.- Belgaum 6th August 1949.

The local authorities in this district have unanimously voted for the cancellation of the condition regarding charges for service li[ne] which, being vague, is likely to be interpreted so as to be detrimental to the interest of the general consumers of electricity.

I consider that there is no objection to amend the condition in para 1 of Government letter under reference under section 21(2) of the Indian Electricity Act, 1910 for the sake of clarity and uniformity.

Sd/-
For Collector of Belgaum.
14

Sholapur Municipality.

No. 1167 of1949
Sholapur 16-8-1949.

To

The District Magistrate, Sholapur.

Condition of supply and miscellaneous charges.

Sir,

With reference to your endorsement No.-DCB/1277 dated 12/7/49 on Government letter No. 6356/36 EL dated 6-6-49 and copy forwarded to me for remarks, I have to state that the Electric Supply Company is charging 15% overhead charges both on the cost of labour as well as materials. It is quite necessary to cancel the part of the condition regarding. The charges for the rest of the service line shall be recovered at the actual cost plus 15% to recover overhead charges and to amend. it as follows:-

(1) Cost of materials.

(2) Wages of labour, plus

(3) Superivision charges to the extend of 15% of item (II) only.

Sd/-
President, Sholapur
Municipality Sholapur

No. DCB/2224
Solapur 17th September 1949.

To

The Secretary to Govt.
P.W.D.(Irrigation)
Bombay

Subj:- Conditions of supply and Miscellaneous charges.

Reference :- Your letter No. 6356/36 El dt. 6-6-1949 on the sut
Noted xxxx above.

2/- I submit herwith a copy of letter No. 1167 dt. 16-8-49 from the President, Sholapur Municipality, giving his xxxxx on para 1 of the Government letter under reference I agree with the views expressed by the President in his letter, generally and have no more remarks to offer.

Sd/-
Collector of Sholapur.

6356/36/58289, & 52749, & 62274.

El. Br. (1)

As per G.E. On p 2 ante, the Collectors of Ahmednagar, Belgaum, & Sholapur have offered their remarks with ref. to G.L. No. 6356/36-El. dated the 6-6-49. The order xxxx issued in the above G.L. have since been cancelled by Govt. in view of the provisions of clause XVII(6) of the Sixth Schedule to the Ecy. (supply) Act, 1948 and all the licensees and the collector, concerned, have been informed accordingly in G.L.No. 6356/36-El.(I) dated the 14-12-49. No further action is necy. on these papers.

Id
19-5-50

Record.

Id
19-5-50